


IT 49 - Investment allowance - plant used in premises leased or let to others

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TAXATION RULING NO. IT 49

INVESTMENT ALLOWANCE - PLANT USED IN PREMISES LEASED OR
LET TO OTHERS

F.O.I. EMBARGO: May be released

REF N.O. REF: J153/119/10 P13 f135 DATE OF EFFECT:

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1100094	PREMISES LEASED OR LET PLANT INVESTMENT ALLOWANCE	82AA(a)(ii)(A) 82AA(a)(ii)(C)

PREAMBLE Representations were made by a firm of chartered accountants on behalf of a large retail outlet concerning the application of the investment allowance provisions to plant leased or let to others.

RULING 2. The difficulty appears in relation to subparagraphs 82AA(a)(ii)(A) and (C). A view has been put that the investment allowance would not be available where plant is installed in rented premises because the owner of the property has leased or granted rights to use the plant. It is considered however that the owner of a building that is leased or let on a rental basis should not be regarded, in the sense of subparagraph (A) or (C), as having leased or otherwise granted rights to use fixtures such as air-conditioning, lifts, escalators, employees' amenities, burglar and fire alarm systems, etc. installed in the building. In these circumstances the landlord should be regarded as having leased or let only the premises with those investment allowance fixtures being used by the landlord in gaining or producing assessable income from that leasing or letting otherwise than by leasing those fixtures or by granting rights to use them.

3. Fixtures of these kinds are considered to qualify for the allowance, other conditions of the allowance being satisfied, whether the premises are used wholly by the owner for business purposes as an occupant or whether the premises are wholly or partially leased or let out to one or more tenants. these rulings would not apply, for example, to a portable air-conditioner provided with the premises, whether included in the rental charged for the premises or provided by the landlord for a separate fee.

COMMISSIONER OF TAXATION